Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Message Text

CONFIDENTIAL

PAGE 01 STATE 084257

15
ORIGIN NEA-12

INFO OCT-01 ISO-00 XMB-07 SP-03 EB-11 L-03 ACDA-19 CIAE-00

INR-10 IO-14 NSAE-00 NSC-07 RSC-01 SCI-06 FEA-02

AEC-11 PM-07 SS-20 COME-00 TRSE-00 OMB-01 (ISO) R

DRAFTED BY NEA/EGY:LWSEMAKIS:PM
APPROVED BY NEA:ALATHERTON
EX-IM:TMORAN
EB/IFD/ODF:MLINTON
S/PC:JKAHAN
NEA/EGY:MSTERNER
---------- 058292
R 250025Z APR 74
FM SECSTATE WASHDC
TO AMEMBASSY CAIRO

C O N F I D E N T I A L STATE 084257

E.O. 11652: GDS
TAGS: EIND, TECH, EG
SUBJECT: CAIRO WEST POWER AND NUCLEAR POWER STATION PROJECTS
REF: CAIRO 2434

1. EX-IM BANK BOARD RECENTLY REVIEWED LOAN FOR CAIRO WEST POWER PROJECT AND DECIDED THAT MORE INFORMATION WAS NEEDED ON QAYSUNI'S ARAB INTERNATIONAL BANK (AIB) AND ON EGYPTIAN ORGANIZATION WHICH RUNS THE ELECTRIC POWER SYSTEM. ACCORDINGLY, ON APRIL 17, EX-IM SENT LETTER TO QAYSUNI VIA INTERNATIONAL MAIL REQUESTING MORE DETAILS ON AIB'S FINANCIAL CONDITION, AND SPECIFICALLY MORE INFORMATION ON WHO EXERCISES CONTROL OVER AIB. IN ADDITION, LETTER DATED APRIL 17 WAS SENT TO EGYPTIAN MINISTER OF ELECTRIC POWER AHMED SULTAN. COPIES OF BOTH LETTERS WERE ALSO HANDED TO EGYPTIAN EMBASSY COMMERCIAL OFFICER, EL NAHAL, WHO SAID HE WOULD CABLE CONTENTS TO CAIRO. EX-IM IS NOW AWAITING RESPONSE TO BOTH LETTERS. ACCORDING TO EX-IM BANK, ADDI-
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 084257

TIONAL INFORMATION IS ESSENTIAL BEFORE DECISION CAN BE MADE

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

IN FAVOR OF GOING AHEAD WITH LOAN.

2. LETTER TO QAYSUNI REQUESTS INFORMATION ABOUT THE ROLE OF THE BANK'S DIRECTORS IN MAKING BANK DECISIONS REGARDING LOAN POLICY; THE CONTROLS UNDER WHICH THE BANK OPERATES; JURISDICTION FOR SETTLEMENT OF LEGAL ISSUES; DETAILS OF LOANS THE BANK HAS MADE; THE SOURCES OF FUNDS LENT BY THE

BANK; AND THE LATEST EARNINGS STATEMENT AND BALANCE SHEET. LETTER TO SULTAN ASKS FOR INFORMATION ABOUT THE EGYPTIAN GENERAL ELECTRICITY COMPANY (EGEC) WHICH RUNS THE COUNTRY'S ELECTRIC SYSTEM; IDENTIFICATION OF THE BOARD MEMBERS OF THE EGEC; NATURE OF THE RELATIONSHIP BETWEEN THE GOE AND THE EGEC; THE EGEC POLICY REGARDING THE SETTING OF RATES; INFORMATION ON CAPITAL INVESTMENT BY EGEC; EXISTING AND PROJECTED GENERATING CAPACITY; LEVEL OF SALES AND HOW SALES REVENUES ARE DISTRIBUTED BETWEEN COMMERCIAL OR RESIDENTIAL USERS; AND FINANCIAL STATEMENTS AND FINANCIAL PROJECTIONS. EX-IM WILL AIRMAIL COPIES OF LETTERS TO POST.

3. EX-IM ALSO POINTS OUT THAT GOE HAS FAILED TO MEET DEBT PAYMENT TO EX-IM DUE APRIL 1, 1974.

4. ON QUESTION OF NUCLEAR POWER STATION FOR EGYPT, THIS IS UNDER ACTIVE REVIEW WITHIN CONTEXT OF GENERAL U.S. POLICY ON PEACEFUL USES OF NUCLEAR POWER WORLDWIDE AND IN THE MIDDLE EAST SPECIFICALLY. SUBJECT IS COMPLEX, HOWEVER, AND REQUIRES FUNDAMENTAL DECISIONS OF POLITICAL, LEGAL, AND TECHNICAL NATURE. YOU MAY TELL SULTAN THAT MATTER IS UNDER ACTIVE STUDY AMONG WASHINGTON AGENCIES AND WE WILL HAVE ANSWER FOR HIM AS SOON AS POSSIBLE. FYI: AMB GHORBAL SEVERAL WEEKS AGO RAISED ISSUE OF EX-IM FINANCING FOR NUCLEAR POWER PLANT WITH EX-IM PRES. CASEY. EX-IM PRESIDENT DISCOURAGED THE EGYPTIANS FROM APPLYING TO THE BANK FOR SUCH FINANCING AT THIS TIME.

5. WE WILL TRY TO BE IN TOUCH WITH MAHER ABAZA AND KAMAL EFFAT WHILE THEY ARE IN WASHINGTON.

CONFIDENTIAL

CONFIDENTIAL

KISSINGER

CONFIDENTIAL

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

NNN

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NUCLEAR POWER PLANTS, ELECTRIC POWER, PROGRAMS (PROJECTS), BANK LOANS
Control Number: n/a
Copy: SINGLE
Draft Date: 25 APR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE084257
Document Source: CORE
Document Unique ID: 00
Drafter: LWSEMAKIS:PM
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740097-0682
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740414/aaaaalzv.tel
Line Count: 108
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: CAIRO 2434
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 13 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <13-Aug-2002 by boyleja>; APPROVED <13 FEB 2003 by GolinoFR>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CAIRO WEST POWER AND NUCLEAR POWER STATION PROJECTS
TAGS: EIND, TECH, EG, XMB, ARAB INTERNATIONAL BANK
To: CAIRO
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005